

ECONOMIC DEVELOPMENT COMMITTEE

November 14, 2000

4:30 P.M.

The Economic Development Committee was called to order by Councilman Lively, Chairman, with Councilmen Franklin, Pierce and Hakeem being present. City Attorney Randall Nelson and Shirley Crownover, Assistant Clerk to the Council, were also present. Attorney McMahan joined the meeting later.

Others present included Mayor Kinsey, Adm. Mitchell, Kim Manning, Sandra Gober, Ann Gray, Kernardo Curry, Adm. Boney, Carla Askok, John Bridger, Juliette Thornton, Adm. Traugher and Yuen Lee. Adm. Marcellis joined the meeting later.

NEIGHBORHOOD BUSINESS DEVELOPMENT TASK FORCE

Chairman Lively turned the meeting over to Mayor Kinsey. Mayor Kinsey stated that this Task Force and report was the result of a really lot of hard work by interested citizens; that they had talked to neighborhood leaders who remembered the days when there were neighborhood stores down the street, and we needed more retail in the neighborhoods. He stated that it was extremely tough to figure out which direction to go; that there had been no concentrated effort to get a handle on what neighborhoods can do to get retail to come into their neighborhoods. He stated that he had asked **Chris Crimmins** to head up this Task Force; that **Beth Soloff, Ann Gray, and Bob McNutt** had also worked closely on this; that he had asked them to go look at this and see what we can do. He thanked them for their efforts. He then turned the meeting over to Chris Crimmins, Task Force Chairman.

Mr. Crimmins stated that they came together in the Spring of 2000 in an effort to encourage and structure retail businesses in the core areas of the community; that they had 20 people to volunteer; that the first thing they had to understand was the area, which they had mapped out; that they broke this into neighborhood sizes to begin to get it in a physical form; that they focused on four areas in-depth which were (1) **Neighborhood Assessment** to map out and understand the type of uses in the neighborhood (2) **National Models/Best Practices**, (3) **Retail Sizes and Types**—whether to target stores such as Home Depot or smaller convenience stores, and (4) **Implementation** and how to help grow and foster businesses. He stated that **Moses Freeman and Kenardo Curry** co-chaired the **Neighborhood Assessment Committee** and had accumulated an incredible amount of information on maps and had done an amazing amount of work. He turned the meeting over to Kenardo Curry.

Mr. Curry stated that they had done an overall Neighborhood Assessment in 16 neighborhoods in the core community and had pulled up information from the GIS System and did a window survey and had also pulled business records and had compiled this data and had also looked at vacant lots and businesses already in the areas; that they had looked at all of this in great detail to see what was already in the community; that they had assigned a legend to commercial or retail-type establishments to find the concentration; in a nutshell, they had established trade zones in the communities; they had established what serves the geographical area and had looked at a regional approach. He stated that they had been assisted by **Candace McRae-Walsh, Ian Bryant, Yuen Lee, Deidre Smith, David Shidler, and Mark Keil.**

Councilman Franklin asked how they categorized businesses in regards to neighborhoods and what was lacking in the areas—if it was grocery stores? Mr. Curry responded that they did not go into that in detail—that there was another committee for this; that in categorizing, grocery and dry good stores were lacking; that they tried to get a complete picture of the inner core. Mayor Kinsey added that they had done a very thorough report which would be made available to Councilmembers.

The next committee was **The National Models and Best Practices Committee and Ann Gray** was a Co-Chairman of this committee. Ms. Gray stated that they attempted to see what other cities had done. She presented maps and the important component was to see how other cities had dealt with this. She stated that they looked at several areas, including Jackson, Mississippi; Franklin, Tennessee; Savannah, Georgia; and Boston, Massachusetts. She stated that they came quickly to the approach that each city used and from that they formed a common thread—a need for comprehensive organization and preservation of historical facilities and trends. She stated that one of the things they learned quickly was that Boston was the most comprehensive approach and interacted well with city government. She explained that they had 19 neighborhoods and started with the **Main Street Neighborhood Approach;** that they realized that Trade Zones existed and focused on the Trade Zones and then came together; that the question was “What do we need to do?”; that we need to develop know-how and a historic preservation in terms of scale and proportion in locating historically significant renovated buildings or new construction in existing trade zones.

Ms. Gray stated that Boston started with one neighborhood and over 20 years had developed the Main Street focus and had added to the program, creating a new city department “Office of Business Development”, which integrates many city department functions such as planning, historic preservation, marketing, neighborhood services, and public works issues; this prevented people from having to go to all of the individual departments. She mentioned that they also had a “shepherding process” to help with the planning, and it had all been very successful. She added that a “Main Street” Neighborhood had to have a Neighborhood Association.

Councilman Hakeem stated that he gathered the model that appealed to the group most was the Boston model. Ms. Gray noted that it stood out nationally, too. She reiterated that there needed to be a component of preservation because this is what people identify with.

Councilman Franklin asked about the population as compared to Chattanooga, prompting Ms. Gray to question if he meant the difference in population between Boston and Chattanooga. It was ascertained that he meant the populations in the neighborhoods—that he was talking about square miles. Mayor Kinsey noted that the approach was what was important about the Boston program, as well as the Main Street Approach in general.

Mr. Crimmins stated that the third committee was **Retail Sizes and Types Committee** whose mission was to find out what types of businesses were important—whether it be a Home Depot or a small hardware store. He called on **Beth Soloff**, the Chairman of this committee.

Ms. Soloff stated that **Chip Griffin, J. T. McDaniel, Sherry Gilchrist, Lee Abelson, Dr. Tony Leech, and Chuck Pruett** were on her committee. She explained that they identified the trade zones and looked at the neighborhoods and assessed where the trade zones were and what retailers they could get back into the neighborhoods. She stated that they had to go to the retailers and see what it would take to get them back into these neighborhoods. She explained that if the neighborhoods had what they wanted, that the retailers would seek them out. Ms. Soloff showed maps and explained that they looked at demographics within a one mile radius and ranked the neighborhoods from highest to lowest in population and average annual income. She stated that when they talked to the tenants the first time around, the biggest request was for food stores and drug stores, and they tried to target that.

Ms. Soloff explained that the least likely business to come into a neighborhood would be an organization such as Bi-Lo; that they needed 35,000 sq. ft. and needed to bring in \$12 million dollars a year; that these neighborhoods could not support businesses such as Food Lion and Kroger. She went on to say that businesses like Sav-A-Lot, Pruetts, and Piggly-Wiggly only require 8,000 to 10,000 sq. ft. She reiterated that it was difficult to put large businesses in these neighborhoods. She stated, however, that there might be opportunities for drug stores such as Eckerds, Walgreen, or CVS—that a couple of the neighborhoods might be able to support these. Also to be included would be Dollar General and Family Dollar, requiring 7,500 sq. ft. She stated that they might start with a Dollar General in a neighborhood.

Ms. Soloff went on to say that J. T. McDaniel was doing well and maybe we could “clone” him around to other neighborhoods and put small businesses in smaller neighborhoods where they would succeed. She stated that we would need to offer someone like him low rents and the development must be subsidized by the City to offer lower rents. She reiterated that smaller tenants were doing well in other neighborhoods, and working with government, we would be able to offer reduced rent and needed support.

Councilman Hakeem asked if there were opportunities for the present business people in the neighborhoods to joint venture with someone else; would it be possible for people who live in and serve the community to acquire capitalization at this time.

Ms. Soloff responded that the bigger tenants were not looking at this; that we would help smaller tenants to come in; that this was a big opportunity for small tenants.

Councilman Franklin asked if any consideration had been given to something like “strip malls” where we already have empty buildings—maybe where a Bi-Lo had been. He asked if there would be tax credits to work with them.

Ms. Soloff responded that they did look at locations where there were empty buildings; that someone might be able to take a vacant Food Lion or Bi-Lo building and maybe split it up into smaller ones.

Mayor Kinsey asked if their findings showed a positive support. Ms. Soloff responded that they felt large businesses like Bi-Lo and Food Lion could not go into these neighborhoods—that they had no prototype for this; that in driving around looking at smaller communities, that Walgreen seemed to be their general store; that she felt we could get businesses to work with us if the population and traffic counts were there.

Mr. Crimmins stated that the last committee was **The Implementation Committee** to ascertain what we would do; that this would be implemented in components, which was one of the more difficult pieces of this Task Force. The question was “What to do Next?” He noted that **Ken Hays, Sarah Morgan, David Berry, Daphne Sloan, Sherrie Gilchrist, Juliette Thornton, Rayburn Traugher, and Carla Askok** had worked on this committee with him.

Mr. Crimmins stated that one of their guiding principles was to not create a new entity to implement this recommendation; that we have existing entities in the community; that implementation should be based upon realistic market demographics; that we need to work on areas of neighborhoods that have the highest chance for success—that we needed little grocery stores in older neighborhoods. The last guiding principle was that this implementation should dovetail with all other community initiatives.

Mr. Crimmins mentioned that Boston's model started with one neighborhood and grew into 17; that we had to learn to walk and then run. He stated that one of the things that they discussed was the existing storefront program administered by General Services—that Rayburn Traughber and Juliett Thornton had worked on this; that we had nine neighborhoods across the city, and this had been very successful. He explained that the money is paired with other money, and Rayburn Traughber is reviewing it. He stated that this most difficult part was helping small locally-owned businesses and called on Sherrie Gilchrist for input. Ms. Gilchrist responded that businesses could get started with reasonable rents.

Mr. Crimmins explained that in regards to the storefront program that we would take what we have been paying up to \$500,000 a year which would enable 20 storefronts a year; that this all needed to be dovetailed with all the things going on now and mentioned the Community Impact Fund. Mr. Crimmins stated that we needed to get old abandoned stores going again and maybe get rid of old gas stations that are hampering the neighborhood. He stated that we also needed \$500,000 for opportunities other than storefronts and mentioned the Hope VI Project.

Councilman Hakeem asked if we were taking the same concept of the second \$500,000 and maybe putting it all into one project. Mr. Crimmins responded that it could all be put into one project if the project was that important; that we might look at the dollars in one particular neighborhood; that a Winn-Dixie might say they would locate in the Alton Park area only if a drainage ditch was removed, which we might be willing to do at a higher cost; that this money could be for numerous opportunities or one big opportunity.

Councilman Franklin asked if there might be an incident where an entrepreneur would share the risks with a major chain like Bi-Lo or Piggly-Wiggly to make it more attractive for them to locate in a particular neighborhood.

Mr. Crimmins responded that there was no major bullet answer in share and risk and spend and risk; that we might need to give some assistance to get private people going; that this would all require some creative thinking and a lot of people coming together; that we would need to implement slowly and not impose our will on neighborhoods.

Mr. Crimmins stated that most importantly we needed to grow small enterprises in neighborhoods, something that Sherrie Gilchrist was familiar with; that people needed access to the dollar and credit and assistance; that they needed on-going care and assistance; that this was a real, real important part of this. He reiterated that there was no magic answer, and it would take a lot of hard work to grow and foster small entities. He called on Sherrie Gilchrist.

Ms. Gilchrist stated that we could not just put them in business without a support system and be able to build entrepreneurs up to a large scale.

Attorney Nelson asked if we had checked into Retired Executives and SCORE for aid. Mr. Crimmins indicated that this had been done; that once we get up and going that Rayburn Traugher's office will be "pumped up" and will monitor this annually to see that we are doing the right thing, and we will adjust as we need to. Mr. Crimmins stated that this concluded their presentation.

Councilman Hakeem expressed that he liked the concept of what they were suggesting of people working together; that it could be such a benefit to the City. He stated that what these volunteers had already given to the City was to be commended.

Mr. Crimmins thanked him for these kind words and stated that they would start small in Rayburn Traugher's department and grow.

Mayor Kinsey added that we could not afford to do nothing and let vacant buildings sit idle; that he did not know where we would find the dollars, but we could not afford to do nothing! He stated that this was a great strategy, and he had been encouraged by listening to Beth Soloff; that this would not be easy; that finding someone to work on these problems was the real issue and Department Heads needed to be at every meeting. He noted that the Neighborhood Business Development Task Force had a printed version of this presentation that they would leave with everyone. He expressed his wish that more of the Councilmembers could have been present at today's meeting.

The meeting adjourned at 5:30 P.M.